
BOSTON GAS COMPANY

D.T.E. 03-40

SEVENTH SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY TO
BOSTON GAS COMPANY

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy (“Department”) submits to Boston Gas Company (“Boston Gas” or “Company”) the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term “provide complete and detailed documentation” means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how

the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.

5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please file one copy of the responses with Mary Cottrell, Secretary of the Department and on all parties; also submit one (1) copy of the responses to John J. Geary, Hearing Officer, one (1) copy of the responses to Sean Hanley, Assistant Director - Rates and Revenue Requirements Division, one (1) copy of the responses to Paul E. Osborne, Assistant Director - Rates and Revenue Requirements Division, two (2) copies of the responses to A. John Sullivan, Rates and Revenue Requirements Division, and one (1) copy to Andreas Thanos, Assistant Director, Gas Division.
8. In addition to filing, all non-proprietary responses should be submitted by e-mail to dte.efiling@state.ma.us and to the e-mail address of any party required to be served.

INFORMATION REQUESTS

- DTE 7-1 Refer to the Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned “Boston Gas Company Leasehold Improvements 12/31/02.” For each year from 1995 through 2002, please provide a schedule that shows for each listed asset:
- (a) the year-end balance;
 - (b) the year-end accumulated amortization; and
 - (c) the amount of actual amortization for the given year.
- DTE 7-2 Refer to the Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned “Boston Gas Company Leasehold Improvements 12/31/02.”

For each asset listed, please describe how the Company determined the indicated 2003 projected amortization amount.

- DTE 7-3 Refer to the Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned “Net Lease Hold Improvements One Beacon.” Please:
- (a) define “AJE Adjustment;”
 - (b) explain the reasons for the AJE Adjustment of \$41,877; and
 - (c) confirm whether the indicated total amount of \$136,288 should be the adjustment for Net Leasehold Improvements - One Beacon in Exh. KEDNE/PJM-2, at 39, line 3.
- DTE 7-4 Refer to Exh. KEDNE/PJM-2, at 39. Please explain the reasons why an adjustment for net leasehold improvement was done only for the One Beacon asset and not for the other assets listed in the Supplemental Information to Exh. KEDNE/PJM-2, the schedule captioned “Boston Gas Company Leasehold Improvements 12/31/02.”
- DTE 7-5 Refer to Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned “Boston Gas Leasehold Improvements 12/31/02.” Please identify or describe all the numbered assets preceded by “Asset G/L #.”
- DTE 7-6 Refer to Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned “Reconciliation of plant from rate case to DTE Return.” Please explain with supporting documentation the reasons for the following additions to rate base:
- (a) \$14,833,921 - “capital leases not on page 17-18”; and
 - (b) \$171,145 - “non utility property not on page 17-18.”
- DTE 7-7 Refer to Exh. KEDNE/PJM-1, at 18. Please provide a copy of the purchase and sale agreement for the Concord property sold in 1998.
- DTE 7-8 Refer to the Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned “Boston Gas Concord Facility Book Value and Net, 12/31/02.” Please explain the handwritten note shown under the category of facilities, DPU 105.00 Property for Future Use, stating: “Exclude as already

taken out of rate base (future use).” Provide the date when each indicated amount was taken out of rate base.

- DTE 7-9 Refer to the Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned “Boston Gas Concord Facility Book Value and Net, 12/31/02.” Please describe the depreciation method used in calculating the net book values for each item under each category of facilities listed.
- DTE 7-10 Refer to Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned “Adjustment to Rate Base.” Please provide all supporting data, calculations, and work papers used by the Company to determine the 7.6 percent allocation to Essex County Gas Company of the “CRIS Unamortized Balance.” Explain why no allocation was made to other Keyspan affiliates.
- DTE 7-11 Refer to Supplemental Information to Exh. KEDNE/PJM-2, the schedule captioned “Colonial Gas Company Amortization of New York IT Costs Actuals @ 12/31/2002.” Please:
- (a) explain the reasons why this schedule makes reference to “New York IT Costs;”
 - (b) provide the capital authorization and closing reports for each of the projects listed under Year 2001 7 Year Assets; and
 - (c) provide the capital authorization for all projects listed under Year 2002 7 Year Assets and 10 Year Assets and provide the source documentation, or cross-reference to documents previously filed in the instant docket for all the cost entries.
- DTE 7-12 Refer to Supplemental Information to Exh. KEDNE/PJM-2, the schedule captioned “Colonial Gas Company Amortization of New York IT Costs Actuals @ 12/31/2002.” Please explain with supporting documentation the basis for and reasons why the total costs and the corresponding unamortized balance for each of the projects listed under Year 2001 7 Year Assets and those listed under Year 2002 7 Year Assets (except Sales & Use Tax System, and IT Tech Plan & Integration Emporium) were transferred or “move[d]” to Boston Gas Company.
- DTE 7-13 Refer to Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned “Boston Gas Company Amortization of IT Costs as of 12/31/02.” Please:

- (a) explain with supporting documentation how the costs entries listed in this schedule under the Year 2001 7 Year Assets were determined;
- (b) explain for each asset the differences in costs from the corresponding cost entries listed in the schedule captioned “Colonial Gas Company Amortization of New York IT Costs,” given that the project designation and number are identical in those two schedules;
- (c) provide the capital authorization and closing reports for each of the projects listed under Year 2001 7 Year Assets in this schedule;
- (d) provide the capital authorization for each of the projects listed under Year 2002 7 year Assets and 10 Year Assets and provide the source documentation, or cross-reference to documents previously filed in the instant docket for all the cost entries.

DTE 7-14 Refer to Exh. KEDNE/PJM-2, at 38, line 8. Please provide a breakdown by project of the \$10,569,449 construction work in progress, indicating the project number, project designation, and project amount. For each project identified, please provide the project capital authorization and the latest project update report.

DTE 7-15 Please provide the annual amounts for the following items relating to construction work in progress for each year from 1995 through 2002:

- (a) the beginning-of-year balance;
- (b) additions;
- (c) retirements;
- (d) adjustments;
- (e) transfers; and
- (f) the end-of-year balance.

DTE 7-16 Refer to Exh. KEDNE/PJM-2, at 38, line 9. Please provide a breakdown by plant account of the \$597,003 plant held for future use, indicating the plant account number, plant designation and plant booked amount.

DTE 7-17 Please provide the annual amounts for the following items relating to plants held for future use for each year from 1995 through 2002:

- (a) the beginning-of-year balance;
- (b) additions;
- (c) retirements;
- (d) adjustments;
- (e) transfers; and
- (f) the end-of-year balance.

DTE 7-18 Refer to Exh. KEDNE/PJM-2, at 38, line 14. Please indicate whether the \$1,713,838 per books (and adjusted) amount representing “Unamortized Pre-1971 ITC” is the same amount as the year-end balance shown in the 2002 Return of Boston Gas Company to the Department at 33, line 14, column (f). If yes, please:

- (a) explain why this amount is labeled differently and referred to as “Tax Credit Post 1970” in the 2002 Return of the Company to the Department;
- (b) describe with supporting data, calculations, and documentation how the debited amount of \$842,004 shown at 33, line 14, column (d) was determined; and
- (c) describe the corresponding account (406-236) to which the amount indicated in (b) above was debited.

If no, please provide the source document for the indicated amount or cite to any previously filed document in the instant docket.

DTE 7-19 Refer to the 2002 Return of the Company to the Department at 33, line 14. For 1995 through 2002, please provide the following information on the unamortized investment tax credit post 1970:

- (a) the beginning-of-year balance;

- (b) the amount of debits and credits and the account number(s) credited; and
- (c) the end-of-year balance.

DTE 7-20 Refer to Exh. KEDNE/PJM-2, at 38, line 15. Please verify the correct reference for the indicated customer contributions of \$50,855 by identifying the correct line number and account name on page 9 of the 2002 Return of Boston Gas Company to the Department.

DTE 7-21 Refer to the 2002 Return of the Company to the Department at 9. For 1995 through 2002, please provide for line 33, customer advances for construction (252) the:

- (a) the beginning-of-year balance;
- (b) the end-of-year balance; and,
- (c) the increase or decrease from the preceding year.

DTE 7-22 Refer to the 2002 Return of the Company to the Department at 9, line 33. Please provide the amount of customer advances for construction for each month during the test year.

DTE 7-23 Refer to Exh. KEDNE/PJM-2, at 38, line 16; and 2002 Return of the Company to the Department at 9, line 23. For 1995 through 2002, please provide a schedule that shows for the Company's customer deposits:

- (a) the beginning-of-year balance;
- (b) the end-of-year balance; and
- (c) the amount of changes from the preceding year.

DTE 7-24 Refer to Exh. KEDNE/PJM-2, at 4, line 19. Please explain why zero interest on customer deposits was booked as of the test year ended December 31, 2002.

DTE 7-25 Refer to Exh. KEDNE/PJM-2, at 38, line 17. For 1995 through 2002, please provide a schedule that shows the following information on unclaimed checks:

- (a) the beginning-of-year balance;

- (b) the end-of-year balance; and,
- (c) the increase or decrease from the preceding year.

DTE 7-26 Refer to Exh. KEDNE/PJM-2, at 38, line 17. Please provide the amount of customer unclaimed checks for each month during the test year.

DTE 7-27 Refer to Exh. KEDNE/PJM-2, at 40, line 16. Please explain why the indicated \$4,753,952 representing Other Materials and Supplies as of December 31, 2002 is categorized under "Plant Materials and Operating Supplies (Account 154)" in the Company's Return to the Department for the year ended December 31, 2002, at 24, line 4, instead of "Other Materials and Supplies (Account 154)" as shown on line 6.

DTE 7-28 Refer to Exh. KEDNE/PJM-2, at 40. Please indicate if there are sub-accounts maintained for Other Materials and Supplies. If yes, please provide the sub-account numbers with their titles and provide a breakdown of the monthly Other Materials and Supplies into their component costs by sub-account.

DTE 7-29 Refer to Exh. KEDNE/PJM-2, at 40. Please provide the January 2003 balance for Other Materials and Supplies and revise the schedule by calculating the rate base adjustment using the 13-month average from January 2002 through January 2003.

DTE 7-30 Refer to Supplemental Information to Exh. KEDNE/PJM-2, the schedule captioned "Subject: Fwd Inventory Issues allocation." Please:

- (a) identify Company 01, 02, 03, 04, 06;
- (b) identify Company 05, if it exists, and explain why it was omitted from the list; and
- (c) describe with supporting data, calculations, and work papers how the Company determined the amount of inventory issues attributable to each of the five listed companies.

DTE 7-31 Refer to Supplemental Information to Exh. KEDNE/PJM-2, the schedule captioned "Subject: Fwd Inventory Issues allocation." Please indicate if the Company has other centers for inventory transactions aside from Wilmington. If yes:

- (a) please identify those other centers;
- (b) provide a similar calculation of allocation factors for each of those other centers; and
- (c) provide a similar calculation of allocation factors using the aggregate inventory transactions from all the inventory centers.

DTE 7-32 Refer to Supplemental Information to Exh. KEDNE/PJM-2, and the schedule captioned "Other Materials Charges." For 1995 through 2001, please provide a similar schedule showing the monthly Other Material Charges for each listed category. Also, provide the annual percentage allocation to Boston Gas Company.

DTE 7-33 Refer to the 2002 Return of the Company to the Department at 9, line 40. For 1995 through 2002, please provide a schedule that shows the following information on operating reserves:

- (a) the beginning-of- year balance;
- (b) the end-of-year balance; and,
- (c) the increase or decrease from the preceding year.